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May 3, 1976

BROWN & WILLIAMSON TOBACCO CORPORATION
Attention: Ernie Pepples

PHILIP MORRIS INCORPORATED
Attention: Thomas F. Ahrensfield

R. J. REYNOLDS INDUSTRIES, INC.
Attention: Henry C. Roemer

TOBACCO ASSOCIATES, INC.
Attention: Joseph R. Williams

U. S. TOBACCO COMPANY
Attention: William E. "Red" Springer

Gentlemen:

I enclose for each of you two copies of Dr. Martin Cline's review of the UCLA project for the period May 1, 1975, to May 1, 1976. Reprints of the published material mentioned in the bibliography will be sent upon request.

When I met with Dr. Cline recently to discuss the project, he asked if the sponsors would like to make a site visit. I told Dr. Cline that there was great continued interest in his project but that it is difficult to mesh the schedules of everyone who might want to attend, particularly because of the time and distance involved in flying to the west coast. Dr. Cline responded that he would be glad to fly east to talk about the project in the event this would be simpler. Dave and I would appreciate any observations you may have with regard to a site visit or alternatives thereto.

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May 3, 1976

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The third-year contribution will be due June 1. Checks should be made payable to The Regents of the University of California and Dr. Martin J. Cline. Our calculations are as follows: (1) total amount \$350,000; (2) U.S. Tobacco share (based on past contributions) \$2,800; (3) B&W share of balance (\$347,200) \$80,898; (4) Philip Morris share \$112,840; and (5) R. J. Reynolds share \$153,462.

The foregoing figures are based on the 1975 year-end Maxwell market-share report of 16.9% for B&W, 23.6% for Philip Morris and 32.1% for RJR. These percentages convert (so as to get a hundred percent) to B&W 23.3%, Philip Morris 32.5% and RJR 44.2%. The amounts given above are the result of multiplying the converted percentages times \$347,200.

Tobacco Associates, Inc., has made an additional \$5,000 contribution during the past two years. This is determined on an annual basis and Tobacco Associates will, it is hoped, make a contribution for the third year.

If you will send your checks to this office, we will transmit them to Dr. Cline.

Best personal regards.

Sincerely,

William W. Shinn

William W. Shinn

WWS/rf
Enclosure

cc: DeBaun Bryant (with enclosure)
Alex Holtzman (with enclosure)

1005089134

Joe Bostic,

*Please return check to
Alex Holtzman*

*OK 5/27/76
AH*